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Consolidated Financial Results for the Three Months Ended December 31, 2022 [Japanese GAAP]

February 10, 2023

Company name: 4Cs HD Co., Ltd.

Stock exchange listing: Tokyo

Code number: 3726

URL: <https://www.4cs-holdings.co.jp>

Representative: Yoshimi Tendo

, President and Representative Director

Contact: Masanori Uehata

, Director and General Manager of Administration Headquarters

Phone: 092-720-5460

Scheduled date of filing quarterly securities report: February 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended December 31, 2022 (October 01, 2022 to December 31, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended December 31, 2022	463	(29.0)	(71)	-	(70)	-	(72)	-
December 31, 2021	652	36.4	(53)	-	(52)	-	(48)	-

(Note) Comprehensive income: Three months ended December 31, 2022: ¥ (72) million [-%]
Three months ended December 31, 2021: ¥ (48) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2022	(9.92)	-
December 31, 2021	(6.75)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	1,411	404	28.2
September 30, 2022	1,454	454	30.9

(Reference) Equity: As of December 31, 2022: ¥ 398 million
As of September 30, 2022: ¥ 448 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2023	-				
Fiscal year ending September 30, 2023 (Forecast)		-	-	-	-

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2023(October 01, 2022 to September 30, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended March 31, 2023	1,200	(2.7)	(16)	-	(18)	-	(28)	-	(3.94)
Full year	2,428	4.5	50	-	46	-	38	-	5.36

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended December 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)
 Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2022: 7,475,970 shares
 September 30, 2022: 7,419,970 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: 189,490 shares
 September 30, 2022: 189,490 shares

3) Average number of shares during the period:

Three months ended December 31, 2022: 7,257,169 shares
 Three months ended December 31, 2021: 7,188,260 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	649,439	503,149
Accounts receivable - trade	149,407	157,783
Merchandise and finished goods	323,968	406,200
Raw materials and supplies	12,111	20,782
Other	41,457	42,509
Allowance for doubtful accounts	(451)	(158)
Total current assets	1,175,932	1,130,268
Non-current assets		
Property, plant and equipment	570	9,762
Intangible assets		
Goodwill	53,238	50,923
Customer relationship	122,317	116,999
Other	3,951	3,442
Total intangible assets	179,506	171,365
Investments and other assets	98,073	100,549
Total non-current assets	278,150	281,677
Total assets	1,454,083	1,411,945
Liabilities		
Current liabilities		
Accounts payable - trade	73,532	138,362
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	127,384	125,307
Income taxes payable	31,495	8,776
Provision for bonuses	1,200	-
Provision for point card certificates	-	2,469
Provision for shareholder benefit program	21,708	14,407
Asset retirement obligations	2,674	8,313
Other	146,701	149,421
Total current liabilities	704,696	747,057
Non-current liabilities		
Long-term borrowings	221,813	192,024
Deferred tax liabilities	27,361	24,786
Asset retirement obligations	45,577	41,051
Other	518	2,866
Total non-current liabilities	295,270	260,728
Total liabilities	999,966	1,007,786
Net assets		
Shareholders' equity		
Share capital	992,447	1,003,572
Capital surplus	459,505	470,630
Retained earnings	(943,591)	(1,015,609)
Treasury shares	(59,731)	(59,731)
Total shareholders' equity	448,630	398,863
Share acquisition rights	5,486	5,296
Total net assets	454,116	404,159
Total liabilities and net assets	1,454,083	1,411,945

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended December 31,2021	For the three months ended December 31,2022
Net sales	652,247	463,109
Cost of sales	219,009	144,316
Gross profit	433,237	318,792
Selling, general and administrative expenses	487,055	390,034
Operating loss	(53,817)	(71,242)
Non-operating income		
Interest income	1	1
Income on compensation	11	-
Subsidy income	2,524	39
Commission income	-	1,500
Other	258	1,088
Total non-operating income	2,795	2,629
Non-operating expenses		
Interest expenses	1,596	1,221
Other	47	632
Total non-operating expenses	1,644	1,854
Ordinary loss	(52,666)	(70,467)
Extraordinary income		
Gain on reversal of share acquisition rights	501	-
Total extraordinary income	501	-
Loss before income taxes	(52,165)	(70,467)
Income taxes - current	1,371	4,125
Income taxes - deferred	(5,045)	(2,574)
Total income taxes	(3,674)	1,550
Loss	(48,491)	(72,018)
Loss attributable to owners of parent	(48,491)	(72,018)

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousand yen)

	For the three months ended December 31,2021	For the three months ended December 31,2022
Loss	(48,491)	(72,018)
Comprehensive income	(48,491)	(72,018)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(48,491)	(72,018)
Comprehensive income attributable to non-controlling interests	-	-